

1. Business Highlights for the 42nd Business Period (Fiscal Year Ended March 31, 2026)

(1) Overview of Consolidated Results of Operations for the Fiscal Year under Review

The Company had applied provisional accounting treatments for the business combination in the previous fiscal year, which were finalized during the fiscal year ended March 31, 2026 (the “fiscal year under review”). Accordingly, the figures used for comparison with the previous fiscal year have been adjusted to reflect the finalized accounting treatments.

During the fiscal year under review, the Japanese economy maintained a moderate recovery trend amid an improved employment and income environment. Meanwhile, concerns over a global economic slowdown are heightening due to prolonged geopolitical risks, ongoing inflation, and continued monetary tightening in major economies. In particular, geopolitical tensions, including the situation in Ukraine, worsening instability in the Middle East, and intensifying strategic competition between the U.S. and China, are broadly impacting the global economy through supply chain disruptions and soaring energy prices. Under these circumstances, uncertainty surrounding corporate activities persists. Soaring raw material prices are increasing corporate cost pressures and weighing on profits. At the same time, rapid inflation across economies is dampening consumers’ spending appetite, and downside risks to private consumption are becoming evident.

In the Information Infrastructure Business, the threat of cyber-attacks has intensified significantly. In particular, a series of ransomware attacks has had a substantial impact on business continuity, heightening awareness of the importance of security measures. Furthermore, as legal regulations on data protection and corporate governance continue to strengthen, security measures are positioned as a top priority for corporate management. Under these circumstances, the demand for cybersecurity products and services remains high. In the Information Infrastructure Business, the Company’s core business, we continued to see growing demand for cloud-based security measure products.

In the Application Services Business, business has been developing steadily in the CRM field thanks to collaboration with a major system integrator and telemarketing vendor. Additionally, revenue has been steadily increasing due to the growing adoption of subscription-based products. In collaboration with our capital and business alliance partner, Mobilus Corporation, we have also launched our in-house products that utilize generative AI technology. In the Software Quality Assurance field, demand remained strong for testing tools used to ensure the quality of enterprise systems and embedded software. In particular, with the further application of IT in automobiles, there was a strong need for improvement in the quality of embedded software such as in-vehicle software, and orders continued to be favorable. We have launched “Quomiru,” a proprietary dashboard tool that visualizes progress, quality, and risks in the software development process in real time, attracting significant market interest. In the Business Solutions field, while order intake slowed down through the third quarter, we secured orders in the fourth quarter, including bidding projects for independent administrative agencies, and succeeded in accumulating orders. In the EdTech field, we are constantly receiving inquiries about our fully cloud-based school administration support system, “tsumugino,” resulting in a steady increase in the number of new adoptions of our platform by both private and public schools. It has been adopted as “Benesse School Admin Cloud,” the school administration support system offered by Benesse Corporation, and new projects are being created through the strengthened cooperation with Benesse.

In the Medical Systems Business, the new PSP Corporation (“PSP”), which was started on April 1, 2022, has been working to unify our customer base and integrate our products and services, as well as promoting the shift of PACS (medical imaging management) to recurring revenue business models. PSP is actively advancing a shift from the on-premise PACS offered by the pre-merger PSP Corporation to cloud-based PACS at the time of renewal. This initiative is progressing steadily, and we aim to accelerate the shift to cloud-based PACS at large medical institutions.

As a result of the above, consolidated revenue for the year ended March 31, 2026 was ¥71,733 million, a

year-on-year increase of ¥6,851 million (10.6%), achieving a record high. Gross profit amounted to ¥22,575 million, a year-on-year increase of ¥2,026 million (9.9%). Selling, general and administrative expenses were ¥14,829 million, a year-on-year increase of ¥1,268 million (9.4%), mainly due to increases in personnel expenses. As a result, operating profit came to ¥7,760 million, a year-on-year increase of ¥1,097 million (16.5%).

Consequently, profit before tax was ¥7,861 million, a year-on-year increase of ¥1,442 million (22.5%), and profit attributable to owners of parent was ¥5,178 million, a year-on-year increase of ¥1,121 million (27.7%).

Results by operating segment were as follows:

1) Information Infrastructure Business

Results of the Information Infrastructure Business for the fiscal year ended March 31, 2026 were strong thanks to orders for new projects, particularly those for subscription-based cloud cybersecurity measure products. Additionally, there was a steady accumulation of renewal orders. In addition to cloud-based security products, we are promoting the cross-selling of AI-driven solutions that automate SOC*¹ (Security Operation Center) operations. Revenue steadily increased thanks to the abundant order backlog accumulated in the previous fiscal year and orders for new projects. Operating profit increased compared to the previous fiscal year, as the growth of the business covered the increased selling, general and administrative expenses. By product, in addition to cloud-based security measure products, e-mail security products designed to protect against attacks that use e-mail as an entry point for ransomware and solutions to manage vulnerabilities inherent in companies, are increasingly adopted.

At CROSS HEAD, orders received, revenue, and operating profit fell short of the previous fiscal year due to the absence of large projects for storage products in the previous fiscal year, but remained generally in line with the initial plan.

At OCH Co., Ltd., orders received, revenue, and operating profit fell short of the previous fiscal year. This is mainly due to the decrease in sales by major distributors of security products (UTM: Unified Threat Management*²) geared to small and medium-sized businesses. The Company is currently working to strengthen sales of new distributors.

As a result, the business achieved record high revenue and operating profit, with revenue of ¥51,620 million, a year-on-year increase of ¥6,034 million (13.2%), and operating profit of ¥6,579 million, a year-on-year increase of ¥1,311 million (24.9%).

2) Application Services Business

Results of the Application Services Business for the fiscal year under review exceeded those for the same period of the previous fiscal year for orders received and revenue, while operating profit fell short of the result for the same period of the previous fiscal year.

In the CRM field, both orders received and revenue exceeded those of the previous fiscal year. Revenue remained strong thanks to the accumulated sales of subscription-based services, but operating profit fell short of the previous fiscal year, due to higher personnel expenses resulting from an increased headcount to support business expansion and the rising cost of public cloud storage for customer data.

In the Software Quality Assurance field, strong demand continued for testing tools for in-vehicle software. In addition, orders received, revenue, and operating profit significantly exceeded those of the previous fiscal year, thanks to the accumulated sales of subscription-based services.

In the Business Solutions field, orders received exceeded the level of the previous fiscal year, supported by bidding projects for independent administrative agencies. While revenue was on par with the previous fiscal year, operating profit fell short of the previous fiscal year, reflecting lower profitability in specific projects.

At ARECCIA Fintech Corp., orders received fell short of the previous fiscal year, as the company did not secure a large project it had anticipated. While revenue was on the same level as the previous fiscal year, operating profit fell short of the previous fiscal year.

At CASAREAL, Inc., orders received fell short of the previous fiscal year, as the company did not secure

new projects or large-scale recurring projects in the education business such as IT training. Revenue remained in line with the previous fiscal year, but operating profit fell short of the previous fiscal year due to weak performance in open training services.

In the EdTech field, our school communication platform continued to be adopted by national and other public schools, in addition to private advanced schools. Orders received and revenue exceeded the levels of the previous fiscal year. The deficit in operating profit grew from the initial budget, primarily due to a change in the method of recording software development costs in the first quarter, with the entire amount now recorded as selling and administrative expenses (research and development expenses). Meanwhile, investments in product development, marketing, and increasing sales and engineering staff progressed as planned.

As a result, revenue of the business amounted to ¥9,884 million, a year-on-year increase of ¥706 million (7.7%), posting a record high, while operating loss amounted to ¥148 million, a year-on-year decrease of ¥289 million (compared to operating profit of ¥141 million in the same period of the previous fiscal year).

3) Medical Systems Business

For the fiscal year under review, the Medical Systems Business exceeded the previous year's results in orders received, revenue, and operating profit. Orders received were supported by continued strong orders for "NOBORI," a cloud service for medical information, an increase in the cumulative number of contracting facilities, the renewal of agreements with existing users, and large-scale projects in the diagnostic imaging support AI platform business. Revenue growth was supported by an increase in new contracting facilities, despite the impact of the shift to cloud-based medical imaging management (PACS). Operating profit was driven by higher revenue and improved profitability from expanded sales of cloud-based products. These factors more than offset the impacts of the shift to cloud-based PACS, the increase in personnel for the expansion of business, and aggressive investments into development, which had all been incorporated into the initial plan. Meanwhile, upfront investments are continuing in projects such as the development of PHR^{*3} (Personal Health Record) services targeted at general patients and the joint development with medical institutions, AI venture companies, and external partners to launch new businesses, and they have achieved strong results.

At Ichigo LLC, our medical-related consolidated subsidiary, orders received and revenue exceeded the levels of the previous fiscal year, while operating profit was on the same level as the previous fiscal year.

At A-Line Co., another medical-related consolidated subsidiary, orders received for MINCADI, a radiation dose management system, exceeded the levels of the previous fiscal year, as medical institutions are increasingly willing to invest in safety management systems for medical radiation, resulting in steady increases in revenue and operating profit.

As a result, revenue of the business amounted to ¥10,229 million, a year-on-year increase of ¥110 million (1.1%), while operating profit amounted to ¥1,329 million, a year-on-year increase of ¥75 million (6.1%).

(2) Overview of Consolidated Financial Position for the Fiscal Year under Review

(Overview of Consolidated Financial Position for the Fiscal Year under Review)

Current assets increased ¥15,958 million (18.7%) from March 31, 2025 to ¥101,405 million as of March 31, 2026. The principal factor in this change was an increase of ¥6,479 million in advance payments to suppliers. Non-current assets stood at ¥20,126 million, an increase of ¥74 million (0.4%) from March 31, 2025. The principal factor in this change was a ¥613 million increase in goodwill. As a result, total assets amounted to ¥121,531 million, an increase of ¥16,033 million (15.2%) from March 31, 2025.

Current liabilities stood at ¥82,780 million, an increase of ¥15,331 million (22.7%) from March 31, 2025. The principal factor in this change was an increase of ¥12,769 million in contract liabilities. Non-current liabilities stood at ¥6,070 million, a ¥1,985 million (24.7%) decrease from March 31, 2025. The principal factor in this change was a ¥914 million decrease in lease liabilities. As a result, total liabilities amounted to ¥88,850 million, an increase of ¥13,345 million (17.7%) from March 31, 2025.

Total equity was ¥32,680 million, an increase of ¥2,688 million (9.0%) from March 31, 2025. The principal factor in this change was an increase of ¥2,993 million in retained earnings. As a result, the ratio of equity attributable to owners of parent to total assets was 21.7%.

(Basic Principle of Profit Distribution and Dividends for Current and Next Period)

As part of its efforts to increase shareholder value, the Company positions the return of profits to shareholders as an important management task. The basic principle of profit distribution is to make decisions by comprehensively determining the balance between returns to shareholders and maintaining sufficient internal reserves. Until the first half of the fiscal year ended March 31, 2026, the basic principle of the dividend policy was to have a payout ratio of at least 30% of the fiscal year's earnings. However, at the Board of Directors meeting held on October 31, 2025, the Company resolved to add another indicator for its dividend policy—dividend on equity ratio (DOE), in addition to the payout ratio. We expect the addition of the DOE to lead to management that is conscious of capital cost and the share price, clarifying our policy of enhancing shareholder returns and ensuring stable dividend payment. Specifically, we aim to pay consistent and stable dividends, targeting the higher of either a 40% payout ratio or a 7% DOE. Based on this policy, for the fiscal year ended March 31, 2026, it was resolved at the Board of Directors meeting held on October 31, 2025, that the Company will pay an interim dividend of ¥21 per share and a year-end dividend of ¥28 per share (for an annual dividend of ¥49 per share). However, for the fiscal year under review, the Company paid an interim dividend of ¥21 per share, and it was resolved at the Board of Directors meeting held on May 8, 2026, that the Company will pay a year-end dividend of ¥31 per share, for an annual dividend of ¥52 per share.

In the fiscal year ending March 31, 2027, the Company plans to pay an interim dividend of ¥22 per share, and a year-end dividend of ¥32 per share, for an annual dividend of ¥54 per share.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year under review amounted to ¥35,801 million, an increase of ¥8,476 million (31.0%) from March 31, 2025. Cash flows in each area of activity for the fiscal year under review are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities for the fiscal year under review was ¥13,144 million, a year-on-year increase of ¥6,308 million (92.3%). This was primarily due to an increase in advance payments to suppliers.

(Cash Flows from Investing Activities)

Net cash used in investing activities for the fiscal year under review was ¥1,129 million, a year-on-year decrease of ¥4,825 million (81.0%). This was primarily due to a decline in payments for acquisition of shares in subsidiaries.

(Cash Flows from Financing Activities)

Net cash used in financing activities for the fiscal year under review was ¥3,626 million, a year-on-year increase of ¥2,827 million (353.8%). This was primarily due to dividends paid.

(Reference) Trends in Cash Flow Indicators

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Ratio of equity attributable to owners of parent to total assets (%)	22.9	21.7
Ratio of equity attributable to owners of parent to total assets based on fair value (%)	75.0	58.8
Ratio of interest-bearing liabilities to cash flows (%)	37.3	15.2
Interest coverage ratio (times)	171.2	244.7

Ratio of equity attributable to owners of parent to total assets: Equity attributable to owners of parent / Total assets

Ratio of equity attributable to owners of parent to total assets based on fair value: Total market value of shares / Total assets

Ratio of interest-bearing liabilities to cash flows: Interest-bearing liabilities / Cash flows

Interest coverage ratio: Cash flows / Interest payments

(Note 1) Calculations were based on financial data on a consolidated basis.

(Note 2) The total market value of shares is calculated based on the number of outstanding shares without the treasury shares.

(Note 3) Cash flows refer to cash flows from operating activities.

(Note 4) Interest-bearing liabilities include all liabilities recorded on the consolidated statement of financial position for which interest is paid.

(4) Future Outlook

(Outlook for the Next Fiscal Year)

The Company announced the new Medium-Term Management Plan “Creating Customer Value in the New Era” on May 9, 2024. We are now living in an era of emerging new technologies such as the ever-evolving AI, the decrease in the working population due to the falling birthrate and aging, and changes in corporate social responsibility. Even with the advent of this new era, the TechMatrix Group will continue to be a company that creates a better future by solving social issues with solutions packed with its “foresight” and “business know-how,” thereby creating greater “customer value.” Toward this end, we have formulated the new Medium-Term Management Plan.

Foresight involves finding state-of-the-art technologies and discovering social issues to be solved, and then solving the discovered social issues with our business know-how. The Group recognizes that its strength lies in its profound operational knowledge in specific industries or business processes requiring expert knowledge or skills gained by serving hundreds and thousands of customers.

Customer value refers not only to the solutions and services we offer, but also to the value our customers perceive such as the Company’s branding, the way our employees serve customers, and the procedures and interactions in their transactions with us. We will focus on strengthening the basis (specifically, the internal infrastructure that supports our business) for offering customer value and creating an environment where every single employee can take on challenges to grow through the provision of customer value. We consider that our source of customer value is creating new value mainly by handling new technologies, entering into business sectors that make a greater contribution to society, and supporting customers’ operations primarily through AI and automation. At the same time, we generate value embracing both our credo and aspiration (corporate culture), such as serving persistently to provide close support for customers and having a constantly learning mindset.

In the fiscal year ended March 31, 2026, the second year of our Medium-Term Management Plan, we achieved record-high orders received, revenue, and operating profit. In the next fiscal year, the final year of the Plan, we will continue to implement initiatives to drive further growth across all business segments, in line with the Plan’s key strategies.

In the Information Infrastructure Business, the Company will continue to pre-empt trends of cutting-edge security-related technologies and actively search for and offer new potential products as cyber-attacks are constantly becoming more sophisticated and smarter, and existing security products alone may not always be sufficient. In recent years, attackers have increasingly leveraged AI to automate and refine their attack methods, making it essential for defenders to adopt more advanced security products, such as AI-powered threat detection and behavioral anomaly analysis solutions. Furthermore, as for security products, the transaction does not end at introduction. Post-introduction detection and monitoring are required on a continuous basis. The Company will not only provide leading-edge security products but actively invest in the development of managed services and other value-added services.

As a result of the above, the Company forecasts revenue of ¥59,500 million and operating profit of ¥7,240 million. As orders received for new projects and renewals significantly exceeded the plan during the fiscal year under review, we currently have an order backlog that has been steadily accumulating. Owing to the growth of recurring revenue businesses, we expect stable and continuous growth in revenue. The forecast for operating profit takes into account proactive investments aimed at strengthening the customer support system.

With regard to the Application Services Business, in each of the CRM field, the Business Solutions field, and the Software Quality Assurance field, we are determined to further enhance customer value through products and services developed in-house.

In the CRM field, following the previous fiscal year, we will continue investing in the expansion of in-house developed solutions to streamline contact center operations using generative AI, and further accelerate our business development in the ASEAN region, which we have strategically promoted.

In the Software Quality Assurance field, we believe that improving the quality of embedded software is an issue of great social importance as well, in line with the rising need to comply with international standards for functional safety in various fields. In addition, we will strengthen our efforts to build a development base and offer introduction support service with automation and streamlining to help customers use our development support tools more effectively. At the same time, we will work to enhance our unique added value by expanding sales of our proprietary dashboard tool.

In the Business Solutions field, we will leverage the technical capabilities we have developed through our conventional contracted development business for specific customers to facilitate DX in the public sector and develop and offer solutions for improving customer experience (CX).

In the EdTech field, we will continue to promote the adoption of our services to public schools in addition to private schools, and also will work to strengthen our partnership with Benesse Corporation to expand our business for high schools.

Each of our consolidated subsidiaries in this segment will work to expand their businesses in their fields of specialization, while pursuing synergy with non-consolidated businesses.

As a result of the above, the Company forecasts revenue of ¥11,130 million and operating profit of ¥200 million for this segment. As for revenue, we expect a stable and continuous growth thanks to a progressing transition to a subscription-based business and the steady accumulation of subscription sales. The operating profit reflects our forward-looking management decisions, including higher personnel expenses resulting from an increased headcount to support business expansion and other aggressive investments.

In the Medical Systems Business, the new PSP Corporation, established on April 1, 2022, has been working to unify our customer base and integrate our products and services, as well as promoting the shift to cloud-based PACS, initiated by the former PSP Corporation, with the aim of switching to recurring revenue business models.

In addition, we will promote the AI platform business to facilitate the use of medical image data and expand the service and the number of businesses adopting PHR services to consumers (patients).

To accelerate business expansion into the pathology field as a new growth area, the Company acquired shares in Medmain Inc. in April 2026 and made it a subsidiary. In the field of pathological diagnosis, the transition to online operations and the practical application of AI solutions have not progressed sufficiently due to delays in digitization. Through this acquisition, the Company will establish an integrated organizational structure to drive the development and commercialization of a digital pathological diagnosis platform that highly integrates AI technology, thereby promoting digital pathology.

As a result of the above, the Company forecasts revenue of ¥11,170 million and operating profit of ¥760 million for this segment. Although the shift of PACS to the cloud will lead to lower revenue and operating profit in the short term, revenue is expected to grow, driven by the acquisition of new customers and steady progress in our AI platform business. The operating profit forecast incorporates the impact of the recent acquisition of Medmain Inc. as a subsidiary, as well as increased headcount to expand business and aggressive investments in development. Medmain Inc. is a startup promoting digitization and the adoption of AI in the pathology field. As the company is currently in an early-stage investment phase, it is expected to weigh on consolidated operating profit in the short term; however, this acquisition is a far-sighted management decision.

As a result, on a consolidated basis, revenue of ¥81,800 million, operating profit of ¥8,200 million, and profit attributable to owners of parent of ¥5,380 million are expected for the next fiscal year.

Results of Medium-Term Management Plan

(Target and Progress of the Medium-Term Management Plan, “Creating Customer Value in the New Era”)

(Million yen)

Consolidated Fiscal Year	Indicators	Information Infrastructure Business	Application Services Business	Medical Systems Business	Total
Targets for fiscal year ended March 31, 2025	Revenue	45,400	9,200	9,800	64,400
	Operating profit	5,140	410	1,450	7,000
Results for fiscal year ended March 31, 2025	Revenue	45,580	9,170	10,110	64,880
	Operating profit	5,270	140	1,250	6,660
Targets for fiscal year ended March 31, 2026	Revenue	52,600	10,200	10,200	73,000
	Operating profit	6,200	500	900	7,600
Results for fiscal year ended March 31, 2026	Revenue	51,620	9,880	10,220	71,730
	Operating profit	6,570	(140)	1,320	7,760
Targets for fiscal year ending March 31, 2027	Revenue	57,550	11,350	11,100	80,000
	Operating profit	6,840	680	1,080	8,600

Forward-looking statements contained herein are based on the Company’s judgment as of the end of the fiscal year ended March 31, 2026.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

(Thousand yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	27,325,233	35,801,807
Trade and other receivables	7,699,566	7,035,359
Inventories	293,804	477,208
Advance payments to suppliers	35,844,151	42,323,403
Advance payment - cost of maintenance service	12,762,530	14,196,747
Other financial assets	274	324
Other current assets	1,521,133	1,570,369
Total current assets	85,446,693	101,405,220
Non-current assets		
Property, plant and equipment	5,987,743	5,426,692
Goodwill	3,895,961	4,509,910
Intangible assets	3,509,362	3,828,440
Investments accounted for using equity method	716,997	772,892
Other financial assets	3,716,107	3,234,694
Deferred tax assets	1,715,137	1,708,365
Other non-current assets	509,927	645,197
Total non-current assets	20,051,237	20,126,193
Total assets	105,497,930	121,531,414

(Thousand yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Trade and other payables	2,166,939	2,715,336
Borrowings	510,000	200,000
Lease liabilities	749,328	740,470
Income taxes payable	1,208,343	1,485,494
Contract liabilities	57,663,116	70,433,098
Other financial liabilities	631,685	2,438,984
Provisions	75	–
Other current liabilities	4,520,038	4,767,224
Total current liabilities	67,449,528	82,780,609
Non-current liabilities		
Borrowings	1,750,000	1,550,000
Lease liabilities	2,593,465	1,678,513
Other financial liabilities	1,170,186	545,266
Retirement benefit liability	1,937,441	1,816,713
Provisions	167,874	169,217
Deferred tax liabilities	184,910	50,236
Other non-current liabilities	252,212	260,314
Total non-current liabilities	8,056,089	6,070,261
Total liabilities	75,505,617	88,850,870
Equity		
Share capital	1,298,120	1,298,120
Capital surplus	4,799,261	3,008,600
Treasury shares	(921,995)	(918,503)
Retained earnings	18,908,609	21,902,194
Other components of equity	118,931	1,036,916
Total equity attributable to owners of parent	24,202,927	26,327,327
Non-controlling interests	5,789,384	6,353,216
Total equity	29,992,312	32,680,543
Total liabilities and equity	105,497,930	121,531,414

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income
 Consolidated Statement of Profit or Loss

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Revenue	64,882,255	71,733,770
Cost of sales	(44,333,416)	(49,158,325)
Gross profit	20,548,839	22,575,445
Selling, general and administrative expenses	(13,561,433)	(14,829,493)
Other income	38,156	35,372
Other expenses	(362,957)	(21,027)
Operating profit	6,662,605	7,760,296
Finance income	112,029	106,550
Finance costs	(68,767)	(61,304)
Share of profit (loss) of investments accounted for using equity method	(286,919)	55,894
Profit before tax	6,418,947	7,861,437
Income tax expense	(1,914,645)	(2,191,668)
Profit	4,504,302	5,669,768
Profit attributable to:		
Owners of parent	4,056,530	5,178,204
Non-controlling interests	447,771	491,564
Earnings per share		
Basic earnings per share (Yen)	101.01	128.88
Diluted earnings per share (Yen)	100.70	128.48

Consolidated Statement of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	4,504,302	5,669,768
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	118,257	86,087
Equity financial assets measured at fair value through other comprehensive income	(300,863)	(401,616)
Total of items that will not be reclassified to profit or loss	(182,606)	(315,529)
Items that may be reclassified to profit or loss		
Cash flow hedges	34,936	8,332
Exchange differences on translation of foreign operations	(180,718)	841,248
Total of items that may be reclassified to profit or loss	(145,781)	849,581
Other comprehensive income, net of tax	(328,387)	534,052
Comprehensive income	4,175,914	6,203,821
Comprehensive income attributable to:		
Owners of parent	3,704,927	5,639,986
Non-controlling interests	470,987	563,835

(3) Consolidated Statement of Changes in Equity

(Thousand yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Share acquisition rights	Remeasurements of defined benefit plans
Balance at April 1, 2024	1,298,120	4,767,089	(930,159)	16,037,638	147,661	–
Profit	–	–	–	4,056,530	–	–
Other comprehensive income	–	–	–	–	–	85,279
Comprehensive income	–	–	–	4,056,530	–	85,279
Dividends of surplus	–	–	–	(1,244,473)	–	–
Purchase of treasury shares	–	–	(296)	–	–	–
Disposal of treasury shares	–	25,678	8,460	–	–	–
Share-based payment transactions	–	6,493	–	–	30,463	–
Exercise of share acquisition rights	–	–	–	–	(34,105)	–
Changes in ownership interest in subsidiaries	–	–	–	–	–	–
Changes resulting from additions to consolidation	–	–	–	–	–	–
Transfer to non-financial assets	–	–	–	–	–	–
Put options written on non-controlling interests	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	58,914	–	(85,279)
Total transactions with owners, etc.	–	32,172	8,164	(1,185,559)	(3,642)	(85,279)
Balance at March 31, 2025	1,298,120	4,799,261	(921,995)	18,908,609	144,019	–
Profit	–	–	–	5,178,204	–	–
Other comprehensive income	–	–	–	–	–	45,780
Comprehensive income	–	–	–	5,178,204	–	45,780
Dividends of surplus	–	–	–	(1,727,380)	–	–
Purchase of treasury shares	–	–	–	–	–	–
Disposal of treasury shares	–	20,710	3,492	–	–	–
Share-based payment transactions	–	745	–	–	30,909	–
Exercise of share acquisition rights	–	–	–	–	(15,163)	–
Changes in ownership interest in subsidiaries	–	(1,181)	–	–	–	–
Changes resulting from additions to consolidation	–	–	–	–	–	–
Transfer to non-financial assets	–	–	–	–	–	–
Put options written on non-controlling interests	–	(1,810,936)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	(457,239)	–	(45,780)
Total transactions with owners, etc.	–	(1,790,661)	3,492	(2,184,620)	15,745	(45,780)
Balance at March 31, 2026	1,298,120	3,008,600	(918,503)	21,902,194	159,764	–

	Equity attributable to owners of parent					Non-controlling interests	Total equity
	Other components of equity				Total equity attributable to owners of parent		
	Equity financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Cash flow hedges	Total			
Balance at April 1, 2024	428,809	2,032	(6,723)	571,780	21,744,468	5,299,038	27,043,507
Profit	–	–	–	–	4,056,530	447,771	4,504,302
Other comprehensive income	(292,510)	(179,308)	34,936	(351,603)	(351,603)	23,215	(328,387)
Comprehensive income	(292,510)	(179,308)	34,936	(351,603)	3,704,927	470,987	4,175,914
Dividends of surplus	–	–	–	–	(1,244,473)	(6,475)	(1,250,948)
Purchase of treasury shares	–	–	–	–	(296)	–	(296)
Disposal of treasury shares	–	–	–	–	34,139	–	34,139
Share-based payment transactions	–	–	–	30,463	36,956	–	36,956
Exercise of share acquisition rights	–	–	–	(34,105)	(34,105)	–	(34,105)
Changes in ownership interest in subsidiaries	–	–	–	–	–	–	–
Changes resulting from additions to consolidation	–	–	–	–	–	25,834	25,834
Transfer to non-financial assets	–	–	(38,688)	(38,688)	(38,688)	–	(38,688)
Put options written on non-controlling interests	–	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	26,365	–	–	(58,914)	–	–	–
Total transactions with owners, etc.	26,365	–	(38,688)	(101,245)	(1,246,468)	19,359	(1,227,109)
Balance at March 31, 2025	162,664	(177,276)	(10,475)	118,931	24,202,927	5,789,384	29,992,312
Profit	–	–	–	–	5,178,204	491,564	5,669,768
Other comprehensive income	(431,440)	839,107	8,332	461,781	461,781	72,271	534,052
Comprehensive income	(431,440)	839,107	8,332	461,781	5,639,986	563,835	6,203,821
Dividends of surplus	–	–	–	–	(1,727,380)	(9,424)	(1,736,804)
Purchase of treasury shares	–	–	–	–	–	–	–
Disposal of treasury shares	–	–	–	–	24,203	–	24,203
Share-based payment transactions	–	–	–	30,909	31,655	–	31,655
Exercise of share acquisition rights	–	–	–	(15,163)	(15,163)	–	(15,163)
Changes in ownership interest in subsidiaries	–	(27)	–	(27)	(1,209)	(4,600)	(5,810)
Changes resulting from additions to consolidation	–	–	–	–	–	–	–
Transfer to non-financial assets	–	–	–	–	–	–	–
Put options written on non-controlling interests	–	–	–	–	(1,810,936)	–	(1,810,936)
Transfer from other components of equity to retained earnings	486,266	–	–	440,485	(16,754)	14,021	(2,732)
Total transactions with owners, etc.	486,266	(27)	–	456,203	(3,515,585)	(3)	(3,515,589)
Balance at March 31, 2026	217,490	661,803	(2,142)	1,036,916	26,327,327	6,353,216	32,680,543

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before tax	6,418,947	7,861,437
Depreciation and amortization	2,601,398	2,802,832
Impairment losses	333,128	–
Finance income and finance costs	35,671	(20,471)
Decrease (increase) in trade and other receivables	(344,675)	711,220
Decrease (increase) in inventories	201,961	(183,404)
Decrease (increase) in advance payments to suppliers	(10,479,105)	(6,424,911)
Decrease (increase) in advance payment – cost of maintenance service	(2,970,084)	(1,428,354)
Increase (decrease) in trade and other payables	(478,093)	495,132
Increase (decrease) in contract liabilities	14,851,307	12,659,500
Increase (decrease) in retirement benefit liability	(183,651)	(120,728)
Increase (decrease) in provisions	75	(75)
Other	(816,182)	(990,176)
Subtotal	9,170,699	15,362,000
Interest and dividends received	20,155	72,439
Interest paid	(39,932)	(53,711)
Income taxes paid	(2,314,282)	(2,236,077)
Net cash provided by (used in) operating activities	6,836,640	13,144,650
Cash flows from investing activities		
Purchase of property, plant and equipment	(690,671)	(1,114,117)
Purchase of intangible assets	(112,029)	(165,085)
Payments for long-term loans receivable	(20,000)	–
Purchase of investments	(413,317)	–
Proceeds from sale of investments	0	130,497
Payments for acquisition of shares in subsidiaries	(4,755,440)	–
Payments of leasehold and guarantee deposits	(15,647)	(4,593)
Proceeds from refund of leasehold and guarantee deposits	6,706	3,227
Other	45,135	20,075
Net cash provided by (used in) investing activities	(5,955,263)	(1,129,995)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(160,000)	(210,000)
Proceeds from long-term borrowings	2,000,000	–
Repayments of long-term borrowings	(273,066)	(300,000)
Proceeds from other financial liabilities	260,502	–
Payments for other financial liabilities	(611,104)	(616,312)
Dividends paid	(1,243,177)	(1,726,353)
Capital contribution from non-controlling interests	–	4,783
Dividends paid to non-controlling interests	(6,475)	(9,424)
Repayments of lease liabilities	(765,442)	(758,408)
Payments for acquisition of interests in subsidiaries from non-controlling interests	–	(10,500)
Other	(263)	12
Net cash provided by (used in) financing activities	(799,026)	(3,626,202)
Effect of exchange rate changes on cash and cash equivalents	(22,515)	88,122
Net increase in cash and cash equivalents	59,834	8,476,574

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash and cash equivalents at beginning of period	27,265,398	27,325,233
Cash and cash equivalents at end of period	27,325,233	35,801,807